25X1ASanitized - Approved For Release: CIA-RDP82-00457R00240 CD NO 25X1A2g DATE DISTR. 1 mar 1949 COUNTRY China Subject Liscellaneous Information: Communist-Occupied NO. OF PAGES 2 Tsinan 25X1A6a NO. OF ENCLS. **ACQUIRED** 

SUPPLEMENT TO

REPORT NO.

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## Economic Information

- 1. During Nationalist bombings of Communist-held Tsinan (captured on 24 September 1948), two large cotton mills -- the Cheng Feng and Cheng Ta -were completely destroyed. On 19 and 20 October the railroad metal plant in the western suburb was destroyed and more than 150 workers were killed.
- 2. Factories and mills cannot resume operations because persons formerly in charge have left Tsinan, and much machinery and equipment were destroyed duing the bombings. However, there are about 2,000 workers and some 50 to 60 Japanese technicians, formerly employed by the Nationalist Government, working in a railroad plant in the western suburb of Tsinan. This plant, operating from 2 p.m. to 6 p.m. daily, produces locomotive parts.
- 3. There is no valuable cargo being shipped into Tsinan other than sugar and paper. There is a large quantity of wheat flour in Tsinan, but the export of flour is restricted.
- 4。 On 2 October HSU Shih-yu (許 甘 友), Communist mayor of Tsinan\*, consulted with high-ranking officials of the Bureau of Business administration and leading businessmen of Tsinan. During the meeting it was decided to carry on free trade and to enforce strict restrictions on exports.
- 5. The bureau of Business Administration offers high prices for dyestuffs, rubber-soled shoes, rubber tires, medicine and arms.

## Political Information

- 6. In order to influence the political views of the people, Mayor HSU Shih-yu instructed his subordinates to hold meetings with the people. Each family was to attend its respective mo meeting, in which three to five Communist political instructors were to participate.
- The Communist main force is not in Tsinan; about 600 Pohai Military Subzone troops and some 1,000 female political workers remain in the city. These

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CENTRAL INTELLIGENCE AGENCY

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political workers, formerly soudents from Manchuria, are to establish good relations with the people and listen to their conversations.

## Lilitary Information

- 8. Some 3,000 Nationalist railross guards surrendered to the Communists.
- 9. Large amounts of supplies amountion, gunpowder, food, cloth, etc.) left by the Nationalists perc taken to the Ishui-Menying mountain area during the first two weeks of Communist occupation. The Communists discovered a large quantity of weapons concealed by the Nationalists in Chienfoshan which included approximately 20 large guns, 200 heavy machine guns, 700 Thompson submachine guns and 5,000 rifles.
- 10. Six Communitations are units, commanded by 10 Chien (A. 1), were sint to Tsinan on 1 October 1046 to investigate (Sic) Nationalist secret service personnel. These units are under the control of the Pohai Military Subzone.

25X1A6a 25X1A2g Comment. dated September 1948, reported KUO Tzu-hua

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